

LINCOLN CHARTER TOWNSHIP

BERRIEN COUNTY, MICHIGAN

FINANCIAL STATEMENTS

Year ended March 31, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name LINCOLN CHARTER TOWNSHIP	County BERRIEN
Fiscal Year End MARCH 31, 2007	Opinion Date AUGUST 24, 2007	Date Audit Report Submitted to State SEPTEMBER 21, 2007	

We affirm that:

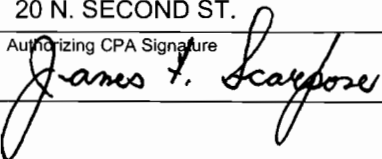
We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☒ ☐ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	VERBAL TO TOWNSHIP BOARD	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) SCARPONE & CO., P.C.	Telephone Number 269-684-5100		
Street Address 20 N. SECOND ST.	City NILES	State MI	Zip 49120
Authorizing CPA Signature 	Printed Name JAMES F. SCARPONE	License Number 11507	

LINCOLN CHARTER TOWNSHIP

BERRIEN COUNTY, MICHIGAN

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LINCOLN CHARTER TOWNSHIP
BERRIEN COUNTY, MICHIGAN

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Year ended March 31, 2007

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**LINCOLN CHARTER TOWNSHIP
BERRIEN COUNTY, MICHIGAN**

TOWNSHIP BOARD AND OFFICIALS

Richard Stauffer - Supervisor

Sharon Geisler - Clerk

Terrie Smith - Treasurer

Brian Jewell - Trustee

Al Pscholka - Trustee

Marc Florian - Trustee

Deborah Peterson - Trustee



SCARPONE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

August 24, 2007

**Members of the Township Board
Lincoln Charter Township
Berrien County, Michigan**

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of Lincoln Charter Township as of March 31, 2007, and for the year then ended, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of Lincoln Charter Township. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable Assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Charter Township as of March 31, 2007, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining funds financial statements and individual fund schedules listed as other financial information in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Lincoln Charter Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Scarpone & Co., P.C.

LINCOLN CHARTER TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2007

Lincoln Charter Township's Management's Discussion and Analysis is intended to assist the reader in focusing on significant Township financial issues, provide an overview of the financial activities of the Township for the year ended March 31, 2007, and changes in its financial position, identify any material deviations from the approved budget, and identify individual fund issues or concerns. Since Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and known facts, readers are encouraged to consider the information presented in conjunction with the Township's basic financial statements, which will follow this section.

Management's Discussion and Analysis is an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of government-wide financial statements and fund financial statements. The accompanying report also contains notes to the basic financial statements and supplementary information in addition to the basic financial statements which further explains and supports the information presented in these statements.

Government-Wide Financial Statements:

The Government-Wide financial statements are full accrual basis statements. They report all of the Township's assets and liabilities, both short term and long term, regardless if they are "currently available" or not. The statement of net assets and the statement of activities provide information about the activities of the Township as a whole, and therefore, present a longer-term view of the Township's financial status.

Fund Financial Statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Lincoln Charter Township, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long term obligations are reported as expenditures. Future year's debt obligations are not recorded.

LINCOLN CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS-CONTINUED

March 31, 2007

SUMMARIZED FINANCIAL HIGHLIGHTS

- * Lincoln Charter Township's net assets increased by \$0.6 million, from \$30.5 million of total net assets at March 31, 2006 to a current \$31.1 million of total net assets at March 31, 2007. The \$0.6 million increase was due strictly from the Township's overall results of operations during the fiscal year, with governmental activities and business-type activities accounting for \$0.4 million and \$0.2 million of the increase, respectively.**
- * During the year, total expenses from the government-wide financial statements were \$5.4 million, of which \$3.4 million were for governmental activities and \$2.0 million were for business-type activities. In the prior fiscal year, total expenses were \$5.6 million, of which \$3.4 million were for governmental activities and \$2.2 million were for business-type activities.**
- * During the year, total revenues from the government-wide financial statements were \$6.0 million, of which \$3.8 million were from governmental activities and \$2.2 million were from business-type activities. In the prior fiscal year, total revenues were \$5.5 million, of which \$3.4 million were from governmental activities and \$2.1 million were from business-type activities.**

LINCOLN CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS-CONTINUED

March 31, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following table shows that in the case of Lincoln Charter Township, assets exceed liabilities by \$31.1 million at March 31, 2007. Comparative data for the years ended March 31, 2007 and 2006, respectively, are as follows:

	March 31,	
	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets	\$ 14,856,387	\$ 13,492,811
Capital assets	45,423,166	45,226,203
Less, accumulated depreciation	(26,238,477)	(24,901,179)
	<u>19,184,689</u>	<u>20,325,024</u>
TOTAL ASSETS	<u>34,041,076</u>	<u>33,817,835</u>
LIABILITIES		
Current liabilities	467,754	536,722
Long-term liabilities	<u>2,438,205</u>	<u>2,780,691</u>
TOTAL LIABILITIES	<u>2,905,959</u>	<u>3,317,413</u>
NET ASSETS		
Investment in capital assets, net of related debt	16,403,998	17,252,868
Reserved	2,496,944	2,080,495
Unreserved	<u>12,234,175</u>	<u>11,167,059</u>
TOTAL NET ASSETS	\$ <u>31,135,117</u>	\$ <u>30,500,422</u>

At March 31, 2007, the largest portion of Lincoln Charter Township's total net assets, \$16.4 million or 53% of the Township's net assets, reflects its investment in capital assets (e.g., land improvements, buildings, building improvements, vehicles, equipment, sewer lines and water mains), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lincoln Charter Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$2.5 million or 8%, of the Township's net assets represents resources that are subject to external restrictions on how they must be used. The remaining 39%, or \$12.2 million, represents net assets that may be used to meet the government's ongoing obligations to citizens and creditors. Of these unreserved net assets, \$1.1 million are related to governmental activities and \$11.1 million to business activities.

LINCOLN CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS-CONTINUED

March 31, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONCLUDED

For the years ended March 31, 2007 and 2006, respectively, the Government-Wide results of operations were as follows:

	Year Ended March 31,	
	<u>2007</u>	<u>2006</u>
REVENUES		
General revenues:		
Property taxes	\$ 1,918,021	\$ 1,552,873
State of Michigan aid, unrestricted	902,279	911,861
Other general revenues	1,179,004	978,622
	<u>3,999,304</u>	<u>3,443,356</u>
Operating grants:		
State of Michigan	10,115	2,472
Charges for services:		
General government	303,021	336,959
Public safety	7,834	13,830
Highways and streets	39,037	40,195
Sanitation and health	42,775	38,700
Recreation	900	-
Water and Sewer	1,602,552	1,647,015
	<u>6,005,538</u>	<u>5,522,527</u>
Total revenues		
EXPENSES		
General government	1,194,273	1,114,236
Public safety	1,260,374	1,182,294
Highways and streets	110,271	120,502
Sanitation and health	147,117	136,254
Recreation	125,319	127,591
Water and Sewer	2,001,216	2,169,887
Capital outlay (under capitalization threshold)	64,071	123,890
Interest on long-term debt	123,687	135,321
Depreciation	344,515	338,310
	<u>5,370,843</u>	<u>5,448,285</u>
Total expenses		
Contributed capital	-	1,121,231
Change in net assets	634,695	1,195,473
NET ASSETS, BEGINNING OF YEAR	<u>30,500,422</u>	<u>29,304,949</u>
NET ASSETS, END OF YEAR	\$ <u>31,135,117</u>	\$ <u>30,500,422</u>

LINCOLN CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS-CONTINUED

March 31, 2007

CAPITAL ASSETS AND DEBT ADMINISTRATION

C. Net Investment in Capital Assets:

Lincoln Charter Township's investment in capital assets for its governmental and business-type activities as of March 31, 2007 was \$19,177,649 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, vehicles, equipment, sewer lines and water mains. Net capital assets as of March 31, 2007 is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 783,458	\$ -	\$ 783,458
Land improvements	1,388,341	-	1,388,341
Buildings	2,696,969	-	2,696,969
Building improvements	118,190	-	118,190
Vehicles	1,460,438	-	1,460,438
Equipment	665,763	432,754	1,098,517
Sewer lines	-	28,467,763	28,467,763
Water mains	-	9,409,490	9,409,490
	<u>7,113,159</u>	<u>38,310,007</u>	<u>45,423,166</u>
Accumulated depreciation	<u>(2,880,846)</u>	<u>(23,357,631)</u>	<u>(26,238,477)</u>
Total	<u>\$ 4,232,313</u>	<u>\$ 14,952,376</u>	<u>\$ 19,184,689</u>

Debt Administration:

The Township made principal payments on bonded, long-term debt obligations and installment contracts that reduced the amount of the Township's long-term liabilities as follows:

	<u>Principal Balance March 31, 2006</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Principal Balance March 31, 2007</u>
1997 Fire Station Bonds	\$ 775,000	\$ -	\$ 75,000	\$ 700,000
1999 Library Bonds	2,075,000	-	150,000	1,925,000
Municipal Contract - Land	90,000	-	30,000	60,000
Municipal Contract - Fire Truck	<u>132,156</u>	<u>-</u>	<u>36,465</u>	<u>95,691</u>
	<u>\$ 3,072,156</u>	<u>\$ -</u>	<u>\$ 291,465</u>	<u>\$ 2,780,691</u>

LINCOLN CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS-CONCLUDED

March 31, 2007

GENERAL FUND BUDGET AND ACTUAL REVENUES & EXPENDITURES:

General Fund Expenditures Budget vs. Actual 5-Year history:

<u>Fiscal Year</u>	<u>Expenditures Final Budget</u>	<u>Expenditures Final - Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Variance Actual & Final Budget</u>
2006-2007	\$ 1,344,790	\$ 1,234,367	\$ 110,423	8.20%
2005-2006	1,242,851	1,185,249	57,602	4.63%
2004-2005	1,206,185	1,097,872	108,313	8.90%
2003-2004	1,142,845	1,053,466	89,379	7.80%
2002-2003	1,089,965	1,001,416	88,549	8.10%
	<u>\$ 6,026,636</u>	<u>\$ 5,572,370</u>	<u>\$ 454,266</u>	

General Fund Revenue Budget vs. Actual 5-Year history:

<u>Fiscal Year</u>	<u>Revenues Final Budget</u>	<u>Revenues Final - Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Variance Actual & Original Budget</u>
2006-2007	\$ 1,716,235	\$ 1,794,292	\$ 78,057	4.55%
2005-2006	1,693,901	1,814,556	120,655	7.00%
2004-2005	1,585,600	1,655,710	70,110	4.00%
2003-2004	1,664,230	1,635,786	(28,444)	(1.70%)
2002-2003	1,484,985	1,686,932	201,947	13.50%
	<u>\$ 8,144,951</u>	<u>\$ 8,587,276</u>	<u>\$ 442,325</u>	

Contacting the Township's Financial Management

This financial report is intended to provide our citizens and taxpayers with a general overview of the Township's finances. If you have any questions about this report or need additional information, please contact the Lincoln Charter Township for assistance.

LINCOLN CHARTER TOWNSHIP

STATEMENT OF NET ASSETS

March 31, 2007

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Assets:			
Cash and cash equivalents	\$ 3,526,996	\$ 11,057,200	\$ 14,584,196
Taxes receivable	129,662	4,955	134,617
Accounts receivable	59,996	162	60,158
Accrued interest receivable	-	875	875
Special assessments receivable	-	56,657	56,657
Due from other governments	2,798	-	2,798
Other current assets	17,086	-	17,086
Total current assets	<u>3,736,538</u>	<u>11,119,849</u>	<u>14,856,387</u>
Noncurrent Assets:			
Capital assets	7,113,159	38,310,007	45,423,166
Less, accumulated depreciation	<u>(2,880,846)</u>	<u>(23,357,631)</u>	<u>(26,238,477)</u>
	<u>4,232,313</u>	<u>14,952,376</u>	<u>19,184,689</u>
 TOTAL ASSETS	 <u>\$ 7,968,851</u>	 <u>\$ 26,072,225</u>	 <u>\$ 34,041,076</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	\$ 34,568	\$ 4,643	\$ 39,211
Deposits	2,500	-	2,500
Bonds payable	342,486	-	342,486
Interest payable	50,435	-	50,435
Deferred revenue	33,122	-	33,122
Total current liabilities	<u>463,111</u>	<u>4,643</u>	<u>467,754</u>
Noncurrent Liabilities:			
Bonds payable	<u>2,438,205</u>	<u>-</u>	<u>2,438,205</u>
 TOTAL LIABILITIES	 <u>2,901,316</u>	 <u>4,643</u>	 <u>2,905,959</u>
 <u>NET ASSETS</u>			
Investment in capital assets, net of related debt	1,451,622	14,952,376	16,403,998
Reserved for debt service	519,419	-	519,419
Reserved for capital projects	484,967	-	484,967
Reserved for special revenue	1,492,558	-	1,492,558
Unreserved	<u>1,118,969</u>	<u>11,115,206</u>	<u>12,234,175</u>
 TOTAL NET ASSETS	 <u>5,067,535</u>	 <u>26,067,582</u>	 <u>31,135,117</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 7,968,851</u>	 <u>\$ 26,072,225</u>	 <u>\$ 34,041,076</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

Year ended March 31, 2007

	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>		
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Donations, Grants and Assessments</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities:						
General government	\$ 1,194,273	\$ 303,021	\$ -	\$ (891,252)	\$ -	\$ (891,252)
Public safety	1,260,374	7,834	11,615	(1,240,925)	-	(1,240,925)
Highways and streets	110,271	39,037	-	(71,234)	-	(71,234)
Sanitation and health	147,117	42,775	-	(104,342)	-	(104,342)
Recreation	125,319	900	12,571	(111,848)	-	(111,848)
Capital outlay (under threshold)	64,071	-	-	(64,071)	-	(64,071)
Interest on long-term debt	123,687	-	-	(123,687)	-	(123,687)
Depreciation	344,515	-	-	(344,515)	-	(344,515)
Total Governmental Activities	\$ 3,369,627	\$ 393,567	\$ 24,186	\$ (2,951,874)	-	(2,951,874)
Business-Type Activities:						
Water and Sewer	2,001,216	1,602,552	-	-	(398,664)	(398,664)
Total Primary Government	5,370,843	1,996,119	24,186	(2,951,874)	(398,664)	(3,350,538)
General Revenues:						
Property taxes levied for general purposes				431,388	-	431,388
Property taxes levied for debt service				403,503	-	403,503
Property taxes levied for police services				1,083,130	-	1,083,130
Administration fees and delinquent taxes				173,109	-	173,109
Other taxes				9,104	-	9,104
State of Michigan aid, unrestricted				902,279	-	902,279
Interest and investment earnings				163,788	566,976	730,764
Cable franchise				124,220	-	124,220
Other revenues				70,485	57,251	127,736
Total General Revenues				3,361,006	624,227	3,985,233
Change in Net Assets				409,132	225,563	634,695
NET ASSETS, BEGINNING OF YEAR				4,658,403	25,842,019	30,500,422
NET ASSETS, END OF YEAR				\$ 5,067,535	\$ 26,067,582	\$ 31,135,117

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS**

March 31, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,038,873	\$ 2,488,123	\$ 3,526,996
Taxes receivable	28,284	101,378	129,662
Accounts receivable	59,895	101	59,996
Intergovernmental receivable	2,798	-	2,798
Due from other funds	17,086	34,148	51,234
TOTAL ASSETS	\$ 1,146,936	\$ 2,623,750	\$ 3,770,686
 <u>LIABILITIES</u>			
Accounts payable	\$ 25,467	\$ 9,101	\$ 34,568
Deposits	2,500	-	2,500
Due to other funds	-	34,148	34,148
Deferred revenue	-	33,122	33,122
TOTAL LIABILITIES	27,967	76,371	104,338
 <u>FUND BALANCES</u>			
Reserved for special revenue	-	1,492,558	1,492,558
Reserved for debt service	-	568,257	568,257
Reserved for capital projects	-	486,564	486,564
Unreserved:			
General Fund	1,118,969	-	1,118,969
TOTAL FUND BALANCES	1,118,969	2,547,379	3,666,348
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,146,936	\$ 2,623,750	\$ 3,770,686

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

March 31, 2007

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS **\$ 3,666,348**

**Amounts reported for governmental activities on the statement
of net assets are different as follows:**

**Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the governmental funds:**

Cost of capital assets	7,113,159	
Less, accumulated depreciation	<u>(2,880,846)</u>	4,232,313

**Long term liabilities are not due and payable in the current
period and are therefore not reported in the governmental funds:**

Bonds payable	(2,780,691)
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Accrued interest payable is not recorded as a liability in the governmental funds.	<u>(50,435)</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 5,067,535**

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

Year ended March 31, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Property taxes	\$ 431,388	\$ 1,486,296	\$ 1,917,684
Administration fees	173,446	-	173,446
Other taxes	9,104	-	9,104
Licenses and permits	1,081	297,079	298,160
State sources	902,279	10,115	912,394
Cable franchise	124,220	-	124,220
Assessments	-	6,931	6,931
Interest	107,462	56,326	163,788
Charges for services	5,657	68,225	73,882
Lot sales	-	21,525	21,525
Donations	-	7,140	7,140
Miscellaneous	39,655	30,830	70,485
TOTAL REVENUES	<u>1,794,292</u>	<u>1,984,467</u>	<u>3,778,759</u>
EXPENDITURES:			
General government	891,064	330,086	1,221,150
Public safety	187,320	1,098,260	1,285,580
Highways and streets	75,759	34,512	110,271
Sanitation and health	80,224	66,893	147,117
Recreation	-	126,378	126,378
Capital projects	-	215,038	215,038
Debt service	-	347,663	347,663
TOTAL EXPENDITURES	<u>1,234,367</u>	<u>2,218,830</u>	<u>3,453,197</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>559,925</u>	<u>(234,363)</u>	<u>325,562</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	6,076	683,555	689,631
Operating transfers out	(652,330)	(37,301)	(689,631)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(646,254)</u>	<u>646,254</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(86,329)</u>	<u>411,891</u>	<u>325,562</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,205,298</u>	<u>2,135,488</u>	<u>3,340,786</u>
FUND BALANCES, END OF YEAR	\$ <u>1,118,969</u>	\$ <u>2,547,379</u>	\$ <u>3,666,348</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Year ended March 31, 2007

Net Change in Fund Balances - Total Governmental Funds	\$	325,562
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Amounts reported for governmental activities on the statement
of activities are different as follows:

Governmental funds report capital outlays as expenditures.
However, on the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which
depreciation exceeded capital outlay in the current year:

Depreciation	\$	(344,515)	
Capital outlay-over threshold		<u>132,062</u>	(212,453)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. This is the amount of repayments reported as expenditures in the governmental funds.		291,465
--	--	---------

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.		<u>4,558</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>409,132</u>
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See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

March 31, 2007

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,093,563	\$ 6,963,637	\$ 11,057,200
Taxes receivable	4,955	-	4,955
Accounts receivable	-	162	162
Special assessments receivable	-	56,657	56,657
Accrued interest receivable	-	875	875
	<u>4,098,518</u>	<u>7,021,331</u>	<u>11,119,849</u>
Fixed assets:			
Sewer lines	28,467,763	-	28,467,763
Water mains	-	9,409,490	9,409,490
Equipment	410,117	22,637	432,754
	<u>28,877,880</u>	<u>9,432,127</u>	<u>38,310,007</u>
Less, accumulated depreciation	<u>(18,383,423)</u>	<u>(4,974,208)</u>	<u>(23,357,631)</u>
	<u>10,494,457</u>	<u>4,457,919</u>	<u>14,952,376</u>
TOTAL ASSETS	\$ <u>14,592,975</u>	\$ <u>11,479,250</u>	\$ <u>26,072,225</u>
<u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES:			
Accounts payable	\$ <u>3,144</u>	\$ <u>1,499</u>	\$ <u>4,643</u>
NET ASSETS:			
Investment in Capital Assets-			
Net of Related Debt	10,494,457	4,457,919	14,952,376
Unrestricted	<u>4,095,374</u>	<u>7,019,832</u>	<u>11,115,206</u>
TOTAL NET ASSETS	<u>14,589,831</u>	<u>11,477,751</u>	<u>26,067,582</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>14,592,975</u>	\$ <u>11,479,250</u>	\$ <u>26,072,225</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

PROPRIETARY FUNDS

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL**

Year ended March 31, 2007

	<u>Sewer Fund</u>		<u>Water Fund</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Charges for service	\$ 901,500	\$ 1,076,046	\$ 501,950	\$ 526,506
Interest	42,000	202,212	77,000	364,764
Benefit fees	-	10,000	-	20,631
Miscellaneous	-	1,600	25,000	25,020
	-----	-----	-----	-----
TOTAL REVENUES	943,500	1,289,858	603,950	936,921
	-----	-----	-----	-----
EXPENSES:				
Cost of service	509,000	539,341	139,000	98,990
Contracted services	72,900	73,040	20,345	30,055
Professional fees	13,200	11,133	10,100	12,023
Depreciation	750,000	756,417	240,000	236,366
Salaries and wages	92,265	93,221	17,805	33,178
Payroll taxes and employee benefits	35,690	34,420	2,920	3,142
Repairs and maintenance	53,340	5,404	28,090	14,788
Utilities	15,920	16,101	1,375	1,363
Insurance	15,000	12,735	7,000	6,367
Office supplies and postage	10,445	11,837	1,060	849
Miscellaneous	19,500	9,891	2,525	555
	-----	-----	-----	-----
TOTAL EXPENSES	1,587,260	1,563,540	470,220	437,676
	-----	-----	-----	-----
NET INCOME (LOSS)	(643,760)	(273,682)	133,730	499,245
	-----	-----	-----	-----
Contributed capital	-	-	-	-
	-----	-----	-----	-----
CHANGE IN NET ASSETS	(643,760)	(273,682)	133,730	499,245
	-----	-----	-----	-----
NET ASSETS, BEGINNING OF YEAR	14,863,513	14,863,513	10,978,506	10,978,506
	-----	-----	-----	-----
NET ASSETS, END OF YEAR	\$ 14,219,753	\$ 14,589,831	\$ 11,112,236	\$ 11,477,751
	-----	-----	-----	-----

See accompanying notes to basic financial statements.

<u>Totals</u>	
<u>Budget</u>	<u>Actual</u>
\$ 1,403,450	\$ 1,602,552
119,000	566,976
-	30,631
25,000	26,620
<u>1,547,450</u>	<u>2,226,779</u>
648,000	638,331
93,245	103,095
23,300	23,156
990,000	992,783
110,070	126,399
38,610	37,562
81,430	20,192
17,295	17,464
22,000	19,102
11,505	12,686
22,025	10,446
<u>2,057,480</u>	<u>2,001,216</u>
(510,030)	225,563
-	-
(510,030)	225,563
<u>25,842,019</u>	<u>25,842,019</u>
\$ <u>25,331,989</u>	\$ <u>26,067,582</u>

LINCOLN CHARTER TOWNSHIP

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

Year ended March 31, 2007

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (273,682)	\$ 499,245	\$ 225,563
Adjustments to reconcile net income (loss) to net cash provided from operating activities:			
Depreciation	756,417	236,366	992,783
Changes in assets and liabilities:			
Decrease (increase) in taxes receivable	(2,698)	951	(1,747)
Increase in accounts receivable	-	(162)	(162)
Decrease in special assessments receivable	-	8,640	8,640
Increase in accrued interest receivable	-	(181)	(181)
Decrease in accounts payable	(43,510)	(80,668)	(124,178)
	436,527	664,191	1,100,718
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Purchases of fixed assets	(9,460)	(55,441)	(64,901)
INCREASE IN CASH AND CASH EQUIVALENTS	427,067	608,750	1,035,817
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,666,496	6,354,887	10,021,383
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,093,563	\$ 6,963,637	\$ 11,057,200

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

FIDUCIARY FUNDS

STATEMENT OF NET ASSETS

March 31, 2007

	Trust and Agency <u>Fund</u>	Tax Collection <u>Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ <u>1,311</u>	\$ <u>23,817</u>	\$ <u>25,128</u>
<u>LIABILITIES</u>			
Due to other funds	\$ 219	\$ 16,867	\$ 17,086
Due to other governments	<u>1,092</u>	<u>6,950</u>	<u>8,042</u>
	\$ <u>1,311</u>	\$ <u>23,817</u>	\$ <u>25,128</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

FIDUCIARY FUNDS

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES

Year ended March 31, 2007

TRUST AND AGENCY FUND

	Balance March 31, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2007</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ <u>1,041</u>	\$ <u>779,022</u>	\$ <u>778,752</u>	\$ <u>1,311</u>
 <u>LIABILITIES</u>				
Due to other funds	\$ -	\$ 94,155	\$ 93,936	\$ 219
Due to other governments	1,041	53,965	53,914	1,092
Payroll taxes, withholdings, and employee benefits	-	630,902	630,902	-
	\$ <u>1,041</u>	\$ <u>779,022</u>	\$ <u>778,752</u>	\$ <u>1,311</u>

TAX COLLECTION FUND

	Balance March 31, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2007</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ <u>20,805</u>	\$ <u>17,314,848</u>	\$ <u>17,311,836</u>	\$ <u>23,817</u>
 <u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 36,753	\$ 36,753	\$ -
Due to other funds	11,442	2,173,420	2,167,995	16,867
Due to other governments	9,363	15,104,675	15,107,088	6,950
	\$ <u>20,805</u>	\$ <u>17,314,848</u>	\$ <u>17,311,836</u>	\$ <u>23,817</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

FIDUCIARY FUNDS

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - CONCLUDED

Year ended March 31, 2007

TOTALS - FIDUCIARY FUNDS

	Balance March 31, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2007</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ <u>21,846</u>	\$ <u>18,093,870</u>	\$ <u>18,090,588</u>	\$ <u>25,128</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 36,753	\$ 36,753	\$ -
Due to other funds	11,442	2,267,575	2,261,931	17,086
Due to other governments	10,404	15,158,640	15,161,002	8,042
Payroll taxes, withholdings, and employee benefits	<u>-</u>	<u>630,902</u>	<u>630,902</u>	<u>-</u>
	\$ <u>21,846</u>	\$ <u>18,093,870</u>	\$ <u>18,090,588</u>	\$ <u>25,128</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

Year ended March 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FUND FINANCIAL STATEMENT PRESENTATION:

The accounting policies of Lincoln Charter Township ("Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. A summary of the significant policies adopted by the Township are as follows:

REPORTING ENTITY:

The Township is a municipal corporation governed by an elected Supervisor and a six-member board. As required by generally accepted accounting principles, these financial statements present Lincoln Charter Township as the primary government. The Tax Collection Fund and the Trust & Agency Fund are included in this report due to the fiduciary responsibility that the Township exercises over these respective funds.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Township's government wide activities consist of both governmental activities and business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

LINCOLN CHARTER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

Year ended March 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FUND FINANCIAL STATEMENT PRESENTATION:

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid and similar items are recognized as revenue as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Fund Based Statements - Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as it is both measurable and available. Revenues are considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures related to compensated absences and severance pay, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The fiduciary fund statement is also reported using the economic resources measurement focus and the accrual basis of accounting.

The Township reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Township and accounts for all revenues and expenditures of the Township not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Additionally, the Township reports the following fund types:

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Township maintains full control of these funds.

LINCOLN CHARTER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

Year ended March 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FUND FINANCIAL STATEMENT PRESENTATION - CONCLUDED:

Capital Projects Funds - The Capital Projects Funds are used to account for the accumulation of resources appropriated for capital outlay expenditures.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Proprietary Fund Type - The Proprietary Funds account for Township operations that are financed and operated in a manner similar to private business enterprise, where the intent of the Township board is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Type - The Fiduciary Fund is used to account for assets held by the Township in a trustee capacity or as an agent. Fiduciary Fund net assets and results of operations are not included in the Government-Wide financial statements. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township presently maintains a Tax Collection Fund and a Trust & Agency Fund.

BUDGETS AND BUDGETARY ACCOUNTING:

The Township Board follows the following procedures in establishing the budgetary data reflected in the basic financial statements:

- 1. Prior to March 31, proposed operating budgets by fund are submitted to the Township Board for the fiscal year commencing April 1.**
- 2. A public hearing is conducted to obtain taxpayer comments.**
- 3. The operating budgets are legally enacted through passage of a board resolution.**
- 4. Any budget revisions must be approved by the Township Board.**
- 5. Budgets are adopted for the respective fund types using the basis of accounting described above.**

COMPENSATING ABSENCES:

The Township's personnel policies do not permit the accumulation and carryforward of vacation and sick days. Accordingly, no accrual has been recorded by the Township at March 31, 2007 for compensated absences, since such amounts are not material.

LINCOLN CHARTER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

Year ended March 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are recorded at cost and include cash investments with original maturities of three months or less.

INVESTMENTS:

Investments are recorded at cost which approximates market value:

The types of investments authorized by resolution of the Board are as follows:

Bonds, securities and other obligations of the United States, or an agency of the United States, the principal and interest of which are fully guaranteed by the United States.

Certificates of deposit, savings accounts, deposits accounts or depository receipts of banks, savings and loan associations, or credit unions which are insured and which meet all criteria as a depository of public funds.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and maturing no more than 270 days after date of purchase.

United States government or federal agency obligation repurchase agreements.

Bankers' acceptances of United States banks.

Investment pools organized under the surplus funds investment pool act, 1982, PA 367, 129.111 to 129.118.

Mutual funds registered under the investment company act of 1940, title I of chapter 686.

LINCOLN CHARTER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

Year ended March 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONCLUDED:

ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

TAX INFORMATION:

The Township property tax is levied each December 1, based on the state taxable valuation of property located in the Township as of the preceding December 31.

The Township's policy is to recognize revenues from the current tax levy in the year of levy.

The 2006 state taxable value of Lincoln Charter Township amounted to approximately \$546,275,000 on which ad valorem taxes levied for Township operating purposes consisted of .78620 mills or approximately \$429,000. Additionally, taxes levied for police operations consisted of 1.97390 mills or approximately \$1,078,000 and debt retirement consisted of .730 mills or approximately \$399,000.

CAPITAL ASSETS:

Capital assets, which include land, buildings, equipment, and vehicles are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized.

Buildings, equipment, and vehicles are depreciated using the straight-line method of depreciation over the following useful lives:

Land improvements	20 years
Buildings	40 years
Building improvements	10-20 years
Vehicles	3-10 years
Equipment	3-10 years

LINCOLN CHARTER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

Year ended March 31, 2007

NOTE B - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consisted of the following at March 31, 2007:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Deposits in financial institutions	\$ 3,526,496	\$ 11,057,200	\$ 25,128	\$ 14,608,824
Petty cash	500	-	-	500
	<u>\$ 3,526,996</u>	<u>\$ 11,057,200</u>	<u>\$ 25,128</u>	<u>\$ 14,609,324</u>

The above deposits in financial institutions of \$14,937,312 were reflected in the accounts of the Township's financial institutions (without recognition of checks written but not yet cleared, or of deposits in transit) at \$29,580,672. Of this amount, approximately \$500,000 was covered by federal depository insurance coverage and \$29,080,672 was uninsured and uncollateralized.

NOTE C - EMPLOYEE BENEFIT PLAN:

The Township has a contributory pension plan covering substantially all employees. The plan is administered by Burnham & Flower Agency, Inc. Contributions are accrued and funded on a current basis. Employee rights are vested at the time of contribution. Employer pension expenditures amounted to \$150,729 for the year ended March 31, 2007.

NOTE D - SEGMENT INFORMATION - PROPRIETARY FUNDS:

The Township maintains two Proprietary Funds which are intended to be self-supporting through user fee charges for services to the general public. Financial segment information as of and for the year ended March 31, 2007 is presented below:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating revenue	\$ 1,289,858	\$ 936,921	\$ 2,226,779
Depreciation expense	756,417	236,366	992,783
Net income (loss)	(273,682)	499,245	225,563
Fixed asset additions	9,460	55,441	64,901
Net working capital	4,095,374	7,019,832	11,115,206
Total assets	14,592,975	11,479,250	26,072,225
Total net assets	14,589,831	11,477,751	26,067,582

LINCOLN CHARTER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS-CONCLUDED

Year ended March 31, 2007

NOTE E - CAPITAL ASSETS:

Capital asset activity of the Township's Governmental activities for the year ended March 31, 2007 was as follows:

	Balance March 31, <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance March 31, <u>2007</u>
Assets not being depreciated:				
Land	\$ 783,458	\$ -	\$ -	\$ 783,458
Capital assets being depreciated:				
Land improvements	1,320,916	67,425	-	1,388,341
Buildings	2,696,969	-	-	2,696,969
Building improvements	118,190	-	-	118,190
Vehicles	1,460,438	-	-	1,460,438
Equipment	601,126	64,637	-	665,763
	<u>6,197,639</u>	<u>132,062</u>	<u>-</u>	<u>6,329,701</u>
Accumulated depreciation:				
Land improvements	719,777	58,099	-	777,876
Buildings	842,673	70,379	-	913,052
Equipment	37,584	6,145	-	43,729
Vehicles	613,025	145,941	-	758,966
Equipment	323,272	63,951	-	387,223
	<u>2,536,331</u>	<u>344,515</u>	<u>-</u>	<u>2,880,846</u>
Net capital assets being depreciated	<u>3,661,308</u>	<u>(212,453)</u>	<u>-</u>	<u>3,448,855</u>
Net capital assets	<u>\$ 4,444,766</u>	<u>\$ (212,453)</u>	<u>\$ -</u>	<u>\$ 4,232,313</u>

LINCOLN CHARTER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

Year ended March 31, 2007

NOTE F - GENERAL LONG-TERM DEBT:

General long-term debt consisted of the following at March 31, 2007:

2.78% municipal purchase contract payable to Chase Equipment Leasing, Inc., payable in annual installments of \$19,944 including interest, final payment due May, 2009	\$ 95,691
2.4% - 3.2% municipal purchase contract payable to Horizon Bank, payable in annual installments of \$30,000 plus interest, final payment due November, 2008	60,000
4.8% - 5.3% Unlimited Tax General Obligation Fire Station Bonds, with annual principal payments of \$75,000 to \$150,000 and semi-annual interest payments, final maturity May, 2012	700,000
4.0% - 4.3% Unlimited Tax General Obligation Library Bonds, with annual principal payments of \$125,000 to \$325,000 and semi-annual interest payments, final maturity May, 2014	<u>1,925,000</u>
	<u>\$ 2,780,691</u>

The principal reductions of general long-term debt for each of the next five years ending March 31, are as follows:

2008	\$ 342,486
2009	368,535
2010	319,670
2011	350,000
2012	375,000
Thereafter	<u>1,025,000</u>
	<u>\$ 2,780,691</u>

The following is a summary of the changes in general long-term debt for the year ended March 31, 2007:

	Balance March 31, 2006	Additions	Deductions	Balance March 31, 2007
Bonds payable	\$ 2,850,000	\$ -	\$ 225,000	\$ 2,625,000
Notes payable	<u>222,156</u>	<u>-</u>	<u>66,465</u>	<u>155,691</u>
	<u>\$ 3,072,156</u>	<u>\$ -</u>	<u>\$ 291,465</u>	<u>\$ 2,780,691</u>

REQUIRED SUPPLEMENTAL INFORMATION

LINCOLN CHARTER TOWNSHIP

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Year ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 409,910	\$ 409,910	\$ 431,388	\$ 21,478
Administration fees	166,000	166,000	173,446	7,446
Other taxes	5,360	5,360	9,104	3,744
Licenses and permits	2,500	2,500	1,081	(1,419)
State sources	910,000	910,000	902,279	(7,721)
Cable franchise	116,000	116,000	124,220	8,220
Interest income	66,000	66,000	107,462	41,462
Charges for services	2,025	2,025	5,657	3,632
Miscellaneous	38,440	38,440	39,655	1,215
Operating transfers-in	7,550	6,550	6,076	(474)
	<u>1,723,785</u>	<u>1,722,785</u>	<u>1,800,368</u>	<u>77,583</u>
EXPENDITURES:				
General government	853,295	976,360	891,064	85,296
Public safety	192,955	192,955	187,320	5,635
Highways and streets	94,250	95,250	75,759	19,491
Sanitation and health	80,225	80,225	80,224	1
Operating transfers-out	652,330	652,330	652,330	-
TOTAL EXPENDITURES	<u>1,873,055</u>	<u>1,997,120</u>	<u>1,886,697</u>	<u>110,423</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(149,270)</u>	<u>(274,335)</u>	<u>(86,329)</u>	<u>188,006</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1,205,298</u>	<u>1,205,298</u>	<u>1,205,298</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$ <u>1,056,028</u>	\$ <u>930,963</u>	\$ <u>1,118,969</u>	\$ <u>188,006</u>

See accompanying notes to basic financial statements.

OTHER SUPPLEMENTAL INFORMATION

LINCOLN CHARTER TOWNSHIP
COMBINED BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS

March 31, 2007

<u>ASSETS</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Cash and cash equivalents	\$ 1,452,466	\$ 549,739	\$ 485,918	\$ 2,488,123
Taxes receivable	49,092	18,518	33,768	101,378
Accounts receivable and other	101	-	-	101
Due from other funds	-	-	34,148	34,148
TOTAL ASSETS	\$ 1,501,659	\$ 568,257	\$ 553,834	\$ 2,623,750
 <u>LIABILITIES AND FUND EQUITY</u>				
Accounts payable	\$ 9,101	\$ -	\$ -	\$ 9,101
Due to other funds	-	-	34,148	34,148
Deferred revenue	-	-	33,122	33,122
TOTAL LIABILITIES	9,101	-	67,270	76,371
TOTAL FUND EQUITY	1,492,558	568,257	486,564	2,547,379
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,501,659	\$ 568,257	\$ 553,834	\$ 2,623,750

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

**COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL
NONMAJOR GOVERNMENTAL FUNDS**

Year ended March 31, 2007

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
REVENUES:				
Property and other taxes	\$ 1,083,130	\$ 403,166	\$ -	\$ 1,486,296
Licenses and permits	297,079	-	-	297,079
State sources	10,115	-	-	10,115
Assessments	-	-	6,931	6,931
Interest	23,200	8,501	24,625	56,326
Charges for service	68,225	-	-	68,225
Lot sales	21,525	-	-	21,525
Donations	1,500	-	5,640	7,140
Miscellaneous	19,390	-	11,440	30,830
	<u>1,524,164</u>	<u>411,667</u>	<u>48,636</u>	<u>1,984,467</u>
EXPENDITURES:				
General government	330,086	-	-	330,086
Public safety	1,098,260	-	-	1,098,260
Highways and streets	34,512	-	-	34,512
Sanitation and health	66,893	-	-	66,893
Recreation	126,378	-	-	126,378
Capital projects	-	-	215,038	215,038
Debt service	-	347,663	-	347,663
	<u>1,656,129</u>	<u>347,663</u>	<u>215,038</u>	<u>2,218,830</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(131,965)</u>	<u>64,004</u>	<u>(166,402)</u>	<u>(234,363)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	494,330	-	189,225	683,555
Operating transfers out	(6,076)	-	(31,225)	(37,301)
	<u>488,254</u>	<u>-</u>	<u>158,000</u>	<u>646,254</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>356,289</u>	<u>64,004</u>	<u>(8,402)</u>	<u>411,891</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,136,269</u>	<u>504,253</u>	<u>494,966</u>	<u>2,135,488</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,492,558</u>	<u>\$ 568,257</u>	<u>\$ 486,564</u>	<u>\$ 2,547,379</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEETS

March 31, 2007

	<u>Parks</u>	<u>Cemetery</u>	<u>Police</u>	<u>Street Lighting</u>	<u>Building</u>	<u>Total</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 37,097	\$ 96,331	\$ 1,166,144	\$ 69,687	\$ 83,207	\$ 1,452,466
Taxes receivable	-	-	47,697	1,395	-	49,092
Accounts receivable	-	-	56	-	45	101
TOTAL ASSETS	\$ 37,097	\$ 96,331	\$ 1,213,897	\$ 71,082	\$ 83,252	\$ 1,501,659
<u>LIABILITIES AND FUND EQUITY</u>						
LIABILITIES:						
Accounts payable	\$ 3,186	\$ 87	\$ 4,865	\$ -	\$ 963	\$ 9,101
FUND EQUITY						
Fund Balances	33,911	96,244	1,209,032	71,082	82,289	1,492,558
TOTAL LIABILITIES AND FUND EQUITY	\$ 37,097	\$ 96,331	\$ 1,213,897	\$ 71,082	\$ 83,252	\$ 1,501,659

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

SPECIAL REVENUE FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

Year ended March 31, 2007

	<u>Parks</u>		<u>Cemetery</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
State sources	-	-	-	-
Interest	100	1,030	1,000	3,251
Charges for service	-	900	19,000	21,250
Lot sales	-	-	20,000	21,525
Donations	1,000	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>1,100</u>	<u>1,930</u>	<u>40,000</u>	<u>46,026</u>
EXPENDITURES:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation and health	-	-	89,355	66,893
Recreation	<u>152,340</u>	<u>126,378</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>152,340</u>	<u>126,378</u>	<u>89,355</u>	<u>66,893</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(151,240)</u>	<u>(124,448)</u>	<u>(49,355)</u>	<u>(20,867)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	151,240	151,240	30,000	30,000
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>151,240</u>	<u>151,240</u>	<u>30,000</u>	<u>30,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>26,792</u>	<u>(19,355)</u>	<u>9,133</u>
FUND BALANCES, BEGINNING OF YEAR	<u>7,119</u>	<u>7,119</u>	<u>87,111</u>	<u>87,111</u>
FUND BALANCES, END OF YEAR	\$ <u>7,119</u>	\$ <u>33,911</u>	\$ <u>67,756</u>	\$ <u>96,244</u>

See accompanying notes to basic financial statements.

<u>Police</u>		<u>Street Lighting</u>		<u>Building</u>		<u>Totals</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ 769,000	\$ 1,083,130	\$ -	\$ -	\$ -	\$ -	\$ 769,000	\$ 1,083,130
5,000	5,486	-	-	300,000	291,593	305,000	297,079
7,500	10,115	-	-	-	-	7,500	10,115
5,000	11,344	500	3,348	1,000	4,227	7,600	23,200
2,200	2,348	36,000	39,037	-	4,690	57,200	68,225
-	-	-	-	-	-	20,000	21,525
-	1,500	-	-	-	-	1,000	1,500
18,000	19,390	-	-	-	-	18,000	19,390
<u>806,700</u>	<u>1,133,313</u>	<u>36,500</u>	<u>42,385</u>	<u>301,000</u>	<u>300,510</u>	<u>1,185,300</u>	<u>1,524,164</u>
-	-	-	-	353,980	330,086	353,980	330,086
1,119,790	1,098,260	-	-	-	-	1,119,790	1,098,260
-	-	36,000	34,512	-	-	36,000	34,512
-	-	-	-	-	-	89,355	66,893
-	-	-	-	-	-	152,340	126,378
<u>1,119,790</u>	<u>1,098,260</u>	<u>36,000</u>	<u>34,512</u>	<u>353,980</u>	<u>330,086</u>	<u>1,751,465</u>	<u>1,656,129</u>
<u>(313,090)</u>	<u>35,053</u>	<u>500</u>	<u>7,873</u>	<u>(52,980)</u>	<u>(29,576)</u>	<u>(566,165)</u>	<u>(131,965)</u>
313,090	313,090	-	-	-	-	494,330	494,330
-	-	-	-	(7,550)	(6,076)	(7,550)	(6,076)
<u>313,090</u>	<u>313,090</u>	<u>-</u>	<u>-</u>	<u>(7,550)</u>	<u>(6,076)</u>	<u>486,780</u>	<u>488,254</u>
-	348,143	500	7,873	(60,530)	(35,652)	(79,385)	356,289
<u>860,889</u>	<u>860,889</u>	<u>63,209</u>	<u>63,209</u>	<u>117,941</u>	<u>117,941</u>	<u>1,136,269</u>	<u>1,136,269</u>
\$ <u>860,889</u>	\$ <u>1,209,032</u>	\$ <u>63,709</u>	\$ <u>71,082</u>	\$ <u>57,411</u>	\$ <u>82,289</u>	\$ <u>1,056,884</u>	\$ <u>1,492,558</u>

LINCOLN CHARTER TOWNSHIP

DEBT SERVICE FUNDS

COMBINING BALANCE SHEETS

March 31, 2007

	<u>Fire Station</u>	<u>Library Bond</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 187,411	\$ 362,328	\$ 549,739
Taxes receivable	<u>6,491</u>	<u>12,027</u>	<u>18,518</u>
	<u>193,902</u>	<u>374,355</u>	<u>568,257</u>
<u>FUND EQUITY</u>			
FUND EQUITY			
Fund Balances	\$ <u>193,902</u>	\$ <u>374,355</u>	\$ <u>568,257</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

DEBT SERVICE FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

Year ended March 31, 2007

	<u>Fire Station</u>	<u>Library Bond</u>	<u>Total</u>
REVENUES:			
Tax sources	\$ 137,919	\$ 265,247	\$ 403,166
Interest	<u>3,490</u>	<u>5,011</u>	<u>8,501</u>
TOTAL REVENUES	<u>141,409</u>	<u>270,258</u>	<u>411,667</u>
EXPENDITURES:			
Bond principal payments	75,000	150,000	225,000
Interest	37,525	84,488	122,013
Other	<u>350</u>	<u>300</u>	<u>650</u>
TOTAL EXPENDITURES	<u>112,875</u>	<u>234,788</u>	<u>347,663</u>
EXCESS OF REVENUES OVER EXPENDITURES	28,534	35,470	64,004
FUND BALANCES, BEGINNING OF YEAR	<u>165,368</u>	<u>338,885</u>	<u>504,253</u>
FUND BALANCES, END OF YEAR	\$ <u>193,902</u>	\$ <u>374,355</u>	\$ <u>568,257</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEETS

March 31, 2007

	<u>Parks Capital Improve.</u>	<u>Township Improve.</u>	<u>Police Capital Improve.</u>	<u>Glenlord Special Assess.</u>	<u>DeFay Rd. Special Assess.</u>	<u>Total</u>
<u>ASSETS</u>						
Cash and equivalents	\$ 64,305	\$ 387,533	\$ 33,700	\$ 380	\$ -	\$ 485,918
Special assessment rec.	-	-	-	1,762	32,006	33,768
Due from other funds	-	34,148	-	-	-	34,148
	<u>\$ 64,305</u>	<u>\$ 421,681</u>	<u>\$ 33,700</u>	<u>\$ 2,142</u>	<u>\$ 32,006</u>	<u>\$ 553,834</u>
<u>LIABILITIES AND FUND EQUITY</u>						
LIABILITIES:						
Due to other funds	\$ -	\$ -	\$ -	\$ 2,142	\$ 32,006	\$ 34,148
Deferred revenue	-	-	-	1,686	31,436	33,122
	-	-	-	3,828	63,442	67,270
FUND EQUITY:						
Fund balances	<u>64,305</u>	<u>421,681</u>	<u>33,700</u>	<u>(1,686)</u>	<u>(31,436)</u>	<u>486,564</u>
	<u>\$ 64,305</u>	<u>\$ 421,681</u>	<u>\$ 33,700</u>	<u>\$ 2,142</u>	<u>\$ 32,006</u>	<u>\$ 553,834</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

CAPITAL PROJECTS FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

Year ended March 31, 2007

	Parks Capital Improvement		Township Improvement		Police Capital Improvement	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	5,640	-	-	-	-
Interest	100	2,475	5,000	21,668	30	482
Miscellaneous	15,000	11,440	-	-	-	-
TOTAL REVENUES	15,100	19,555	5,000	21,668	30	482
EXPENDITURES:						
Capital projects	75,100	57,631	219,900	91,182	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(60,000)	(38,076)	(214,900)	(69,514)	30	482
OTHER FINANCING SOURCES (USES):						
Operating transfers in	60,000	60,000	75,000	75,000	23,000	23,000
Operating transfers out	-	-	-	(31,225)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	60,000	60,000	75,000	43,775	23,000	23,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-	21,924	(139,900)	(25,739)	23,030	23,482
FUND BALANCES, BEGINNING	42,381	42,381	447,420	447,420	10,218	10,218
FUND BALANCES, ENDING	\$ 42,381	\$ 64,305	\$ 307,520	\$ 421,681	\$ 33,248	\$ 33,700

See accompanying notes to basic financial statements.

<u>Cleveland Ave. Special Assessment</u>		<u>Glenlord Sidewalk Special Assessment</u>		<u>DeFay Road Special Assessment</u>		<u>Totals</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ -	\$ 2,143	\$ -	\$ 1,224	\$ -	\$ 3,564	\$ -	\$ 6,931
-	-	-	-	-	-	-	5,640
-	-	-	-	-	-	5,130	24,625
-	-	-	-	-	-	15,000	11,440
-	2,143	-	1,224	-	3,564	20,130	48,636
-	-	-	-	-	66,225	295,000	215,038
-	2,143	-	1,224	-	(62,661)	(274,870)	(166,402)
-	-	-	-	-	31,225	158,000	189,225
-	-	-	-	-	-	-	(31,225)
-	-	-	-	-	31,225	158,000	158,000
-	2,143	-	1,224	-	(31,436)	(116,870)	(8,402)
(2,143)	(2,143)	(2,910)	(2,910)	-	-	494,966	494,966
\$ (2,143)	\$ -	\$ (2,910)	\$ (1,686)	\$ -	\$ (31,436)	\$ 378,096	\$ 486,564

LINCOLN CHARTER TOWNSHIP

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
GENERAL GOVERNMENT:			
Township trustees:			
Wages	\$ 17,315	\$ 17,336	\$ 21
Employee benefits	9,880	8,396	(1,484)
	<u>27,195</u>	<u>25,732</u>	<u>(1,463)</u>
Supervisor:			
Wages	42,250	35,614	(6,636)
Employee benefits	10,085	9,563	(522)
Supplies and postage	600	389	(211)
Contractual services	300	-	(300)
Legal and professional	-	160	160
Telephone	360	360	-
Vehicle and mileage	1,400	1,140	(260)
Repairs and maintenance	100	-	(100)
Conferences and workshops	2,300	1,746	(554)
Dues and subscriptions	200	216	16
	<u>57,595</u>	<u>49,188</u>	<u>(8,407)</u>
Assessor:			
Wages	90,785	90,383	(402)
Employee benefits	39,215	38,698	(517)
Supplies and postage	8,000	4,627	(3,373)
Contractual services	3,500	1,760	(1,740)
Tax statement mailing	750	3,501	2,751
Vehicle and mileage	150	140	(10)
Legal and professional fees	6,000	4,121	(1,879)
Conferences and workshops	5,000	2,505	(2,495)
Dues and subscriptions	400	488	88
Repairs and maintenance	-	145	145
Capital outlay	-	1,220	1,220
Miscellaneous	50	659	609
	<u>153,850</u>	<u>148,247</u>	<u>(5,603)</u>
Clerk:			
Wages	65,905	50,438	(15,467)
Employee benefits	32,640	31,480	(1,160)
Supplies and postage	4,050	905	(3,145)
Contractual services	1,150	1,729	579
Vehicle and mileage	125	90	(35)
Conferences and workshops	2,300	1,615	(685)
Dues and subscriptions	300	269	(31)
Capital outlay	1,350	2,756	1,406
	<u>107,820</u>	<u>89,282</u>	<u>(18,538)</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

Year ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
GENERAL GOVERNMENT - CONTINUED:			
Treasurer:			
Wages	\$ 44,605	\$ 34,130	\$ (10,475)
Employee benefits	19,390	19,403	13
Computer service	21,490	21,336	(154)
Tax statement mailing	2,750	2,383	(367)
Legal and professional	2,350	2,262	(88)
Contractual services	400	2,122	1,722
Supplies and postage	6,350	7,669	1,319
Vehicle and mileage	950	498	(452)
Conferences and workshops	2,200	1,902	(298)
Dues and subscriptions	75	60	(15)
Miscellaneous	-	3	3
	<u>100,560</u>	<u>91,768</u>	<u>(8,792)</u>
Elections:			
Wages	30,055	33,706	3,651
Employee benefits	915	1,267	352
Contractual services	5,900	3,302	(2,598)
Supplies and postage	13,100	11,635	(1,465)
Vehicle and mileage	180	420	240
Printing and publishing	1,800	928	(872)
Conferences and workshops	50	207	157
Repairs and maintenance	-	24	24
Meals	1,500	1,659	159
Miscellaneous	-	61	61
	<u>53,500</u>	<u>53,209</u>	<u>(291)</u>
Board of Review:			
Wages	1,000	800	(200)
Employee benefits	80	61	(19)
Office supplies	-	9	9
Printing and publishing	600	314	(286)
Capital outlay	-	1,830	1,830
	<u>1,680</u>	<u>3,014</u>	<u>1,334</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

Year ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
GENERAL GOVERNMENT - CONCLUDED:			
General and Administrative:			
Wages	\$ 63,475	\$ 52,409	\$ (11,066)
Employee benefits	13,790	10,935	(2,855)
Supplies and postage	10,505	9,131	(1,374)
Contractual services	19,010	11,368	(7,642)
Repairs and maintenance	1,490	1,543	53
Conferences and workshops	1,850	1,359	(491)
Legal and professional fees	73,550	76,416	2,866
Insurance	35,555	34,225	(1,330)
Community promotions	24,400	24,225	(175)
Telephone	7,920	7,656	(264)
Printing and publishing	10,000	7,717	(2,283)
Dues and subscriptions	4,745	4,503	(242)
Capital outlay	2,500	1,987	(513)
Miscellaneous	165	319	154
	<u>268,955</u>	<u>243,793</u>	<u>(25,162)</u>
Township Maintenance:			
Wages	35,655	32,677	(2,978)
Employee benefits	12,875	15,039	2,164
Operating supplies	3,975	2,106	(1,869)
Contractual services	730	710	(20)
Vehicle and mileage	1,620	1,670	50
Utilities	6,515	5,420	(1,095)
Repairs and maintenance	15,315	15,049	(266)
Capital outlay	1,575	-	(1,575)
Miscellaneous	355	458	103
	<u>78,615</u>	<u>73,129</u>	<u>(5,486)</u>
Planning and Zoning:			
Wages	13,180	7,875	(5,305)
Employee benefits	1,010	547	(463)
Office supplies and postage	50	847	797
Contractual services	57,000	54,561	(2,439)
Legal fees	50,000	46,596	(3,404)
Printing and publishing	1,950	2,780	830
Conferences and workshops	700	140	(560)
Miscellaneous	400	356	(44)
Capital outlay	2,300	-	(2,300)
	<u>126,590</u>	<u>113,702</u>	<u>(12,888)</u>
TOTAL GENERAL GOVERNMENT	<u>976,360</u>	<u>891,064</u>	<u>(85,296)</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONCLUDED

Year ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
PUBLIC SAFETY:			
Fire Department:			
Wages	\$ 82,490	\$ 65,049	\$ (17,441)
Employee benefits	9,770	9,729	(41)
Operating supplies	10,920	32,003	21,083
Contractual services	1,000	4,154	3,154
Insurance	24,905	24,409	(496)
Dues and subscriptions	300	182	(118)
Telephone	3,095	2,793	(302)
Repairs and maintenance	13,370	20,316	6,946
Conferences and workshops	5,000	674	(4,326)
Training and instruction	2,000	694	(1,306)
Utilities	10,190	8,931	(1,259)
Office supplies and postage	1,415	1,840	425
Vehicle and mileage	4,000	2,781	(1,219)
Capital outlay	24,400	13,755	(10,645)
Miscellaneous	100	10	(90)
TOTAL PUBLIC SAFETY	<u>192,955</u>	<u>187,320</u>	<u>(5,635)</u>
HIGHWAYS AND STREETS:			
Drains	25,500	23,167	(2,333)
Roads and bridges	27,750	13,557	(14,193)
Street lighting	42,000	39,035	(2,965)
TOTAL HIGHWAYS AND STREETS	<u>95,250</u>	<u>75,759</u>	<u>(19,491)</u>
SANITATION AND HEALTH:			
Ambulance subsidy	80,225	80,224	(1)
TOTAL EXPENDITURES	<u>\$ 1,344,790</u>	<u>\$ 1,234,367</u>	<u>\$ (110,423)</u>

See accompanying notes to basic financial statements.

LINCOLN CHARTER TOWNSHIP
LONG-TERM DEBT - 1997 UNLIMITED TAX GENERAL
OBLIGATION FIRE STATION BONDS
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

March 31, 2007

Year Ending March 31,	<u>Principal</u> <u>May 1</u>	<u>Interest Requirements</u>		<u>Total</u> <u>Interest</u>	<u>Total</u> <u>Requirements</u>
	<u>May 1</u>	<u>May 1</u>	<u>November 1</u>		
2008	\$ 100,000	\$ 17,862	\$ 15,412	\$ 33,274	\$ 133,274
2009	100,000	15,412	12,913	28,325	128,325
2010	100,000	12,913	10,413	23,326	123,326
2011	125,000	10,413	7,225	17,638	142,638
2012	125,000	7,225	3,975	11,200	136,200
2013	150,000	3,975	-	3,975	153,975
	<u>\$ 700,000</u>	<u>\$ 67,800</u>	<u>\$ 49,938</u>	<u>\$ 117,738</u>	<u>\$ 817,738</u>

LINCOLN CHARTER TOWNSHIP
LONG-TERM DEBT - 1999 UNLIMITED TAX GENERAL
OBLIGATION LIBRARY BONDS
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

March 31, 2007

Year Ending <u>March 31,</u>	<u>Principal</u> <u>May 1</u>	<u>Interest Requirements</u>		<u>Total</u> <u>Interest</u>	<u>Total</u> <u>Requirements</u>
		<u>May 1</u>	<u>November 1</u>		
2008	\$ 175,000	\$ 40,744	\$ 37,156	\$ 77,900	\$ 252,900
2009	200,000	37,156	33,006	70,162	270,162
2010	200,000	33,006	28,806	61,812	261,812
2011	225,000	28,806	23,969	52,775	277,775
2012	250,000	23,969	18,594	42,563	292,563
2013	250,000	18,594	13,281	31,875	281,875
2014	300,000	13,281	6,906	20,187	320,187
2015	325,000	6,906	-	6,906	331,906
	<u>\$ 1,925,000</u>	<u>\$ 202,462</u>	<u>\$ 161,718</u>	<u>\$ 364,180</u>	<u>\$ 2,289,180</u>